

EXHIBIT 121

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF OHIO
3 EASTERN DIVISION

4 -----)
5 IN RE: NATIONAL) MDL No. 2804
6 PRESCRIPTION OPIATE)
7 LITIGATION) Case No.
8 -----) 1:17-MD-2804
9)
10 THIS DOCUMENT RELATES TO) Hon. Dan A. Polster
11 ALL CASES)
12 -----)

13 HIGHLY CONFIDENTIAL
14 SUBJECT TO FURTHER CONFIDENTIALITY REVIEW

15 The videotaped deposition of PATRICIA DAUGHERTY,
16 called by the Plaintiffs for examination, taken
17 pursuant to the Federal Rules of Civil Procedure of
18 the United States District Courts pertaining to the
19 taking of depositions, taken before CORINNE T.
20 MARUT, C.S.R. No. 84-1968, Registered Professional
21 Reporter and a Certified Shorthand Reporter of the
22 State of Illinois, at the offices of Bartlit Beck
23 Herman Palenchar & Scott, Suite 600, 54 West
24 Hubbard Street, Chicago, Illinois, on
25 November 15, 2018, commencing at 9:08 a.m.

26 GOLKOW LITIGATION SERVICES
27 877.370.3377 ph | 917.591.5672 fax
28 deps@golkow.com

1 Initiatives around 2000, 2003, 2000, something like
2 that.

3 Q. So, from 1999 until you started at
4 Walgreens Health Initiatives in around 2002 you
5 worked as a pharmacist?

6 A. Yes.

7 Q. Is that right?

8 Do you have to be licensed to be a
9 pharmacist in Illinois?

10 A. Yes.

11 Q. Is that true all over the country?

12 A. You have to be licensed in the state
13 that you're practicing, yes.

14 Q. Do you have to take an exam to become a
15 licensed pharmacist?

16 A. Yes.

17 Q. What does a pharmacist do, just as a
18 general matter?

19 A. So, a pharmacist reviews prescriptions,
20 dispenses prescriptions to a patient.

21 Q. Did you ever work anywhere else as a
22 pharmacist besides Walgreens?

23 A. No.

24 Q. You spent a number of years working at

1 various PBMs, is that right?

2 A. Yes.

3 Q. What is a PBM, just from your
4 perspective?

5 A. A PBM is a pharmacy benefits manager.
6 So, we manage prescription insurance essentially.

7 Q. At a certain point you came back to work
8 at Walgreens after working at a PBM, is that right?

9 A. Yes.

10 Q. Was that in January of 2013?

11 A. Yes.

12 Q. In your words, what does the group that
13 you work at in Walgreens do, the Pharmaceutical
14 Integrity group?

15 A. Our team manages flagged orders, reviews
16 orders for approval if a store requests additional
17 product. We oversee our CSO KPI tool. We manage
18 our DEA 106 submissions to the DEA and work with
19 our pharmacies. We also oversee the Naloxone
20 program, the Safe Med Disposal program and we
21 respond to DEA subpoenas.

22 Q. We'll break that down a little bit, but
23 the first question I have for you about what you
24 just said is: Since you've been working in

1 Pharmaceutical Integrity at Walgreens, have you
2 received training on Walgreens' policies and
3 procedures that have helped you do your job?

4 A. Yes.

5 Q. Is the training that you receive at
6 Walgreens ongoing today?

7 A. Yes.

8 Q. Have you received training on Walgreens'
9 policies with respect to order monitoring?

10 A. Yes.

11 Q. Does that include training on Walgreens'
12 policies with respect to suspicious order
13 monitoring?

14 A. Yes.

15 Q. You were asked questions today about
16 whether you had a training manual or a training
17 package. Do you remember those questions?

18 A. Yes.

19 Q. Did you receive the information that you
20 needed to do your job when you started in
21 Pharmaceutical Integrity in 2013?

22 A. Yes.

23 Q. Do the policies and procedures that you
24 follow at Walgreens in Pharmaceutical Integrity, do

1 those policies and procedures change over time for
2 a variety of reasons?

3 A. Yes.

4 Q. I want you to turn back, please, to
5 Exhibit 14. Do you have it?

6 A. Yes.

7 Q. Exhibit 14 is the e-mail, it's a chain
8 that ends with an e-mail from you to Tasha Polster
9 and it attaches a document called Settlement and
10 Memorandum of Agreement. Correct?

11 A. Yes.

12 Q. I believe you testified that as part of
13 your job in the time frame of this e-mail, it's
14 dated June 12, 2013, that you reviewed parts of
15 this memorandum and agreement, is that right?

16 A. Yes.

17 Q. Which parts did you review as a part of
18 your job in roughly in the 2013 time frame?

19 A. So, primarily if you flip to after
20 page 13, it's called "Addendum: Prospective
21 Compliance"; and it relates to Walgreens Integrity
22 Department responding to the DEA within two
23 business days. It talks about forming an
24 Rx Integrity team, and then it goes on into the

1 rest of the document.

2 Q. Did you walk through this addendum to
3 the 2013 memorandum and agreement with others on
4 your team at the time?

5 A. Yes.

6 Q. Who did you discuss this addendum to the
7 memorandum of agreement with at your job?

8 A. Eric Stahmann, Ed Bratton and Tasha
9 Polster.

10 Q. Was Pharmaceutical Integrity, the group
11 that you're in today, was it already up and running
12 at this time in June of 2013 when this settlement
13 was entered?

14 A. Yes.

15 Q. As far as you know, did your team in
16 Pharmaceutical Integrity make sure to do all the
17 things that are laid out in the addendum to the
18 memorandum of agreement that's marked as
19 Exhibit 14?

20 A. Yes. We reviewed each item and made
21 sure that we were following each item in this
22 "Addendum: Prospective Compliance."

23 Q. Briefly, how do Walgreens pharmacies
24 place orders for controlled substances?

1 A. So, our SIMS system actually suggests
2 orders and places the orders on the store's behalf.
3 Should the store want to place an additional order
4 on top of the suggested order, they have to go
5 through our ceiling to determine whether the item
6 either is over that -- that particular pharmacy's
7 ceiling or over their tolerance on a daily basis
8 and if, for example, it is, they have to request
9 the order directly to our team for approval.

10 Q. What systems are in place to make sure
11 pharmacies don't order more controlled substances
12 than they need? You mentioned a ceiling. Is that
13 something that you have previously referred to
14 today as the CSO KPI tool?

15 A. Yeah, the CSO KPI tool has a ceiling for
16 each item for each pharmacy as well as a tolerance
17 meaning how much they can order per order, so per
18 instance, and if the store places an order over and
19 above their tolerance or their ceiling, the order
20 is canceled.

21 Q. What is the difference between a store's
22 tolerance and a store's ceiling limit?

23 A. So, the ceiling is the most they can
24 order in a rolling six-week period and the

1 tolerance is what the amount they can order per
2 order, per instance.

3 Q. Am I understanding you correctly, are
4 there limits for both ceiling and tolerance?

5 A. Yes.

6 Q. For every store?

7 A. Yes. And they're calculated daily for
8 each store for each item.

9 Q. Are the limits for ceiling and tolerance
10 the same for every Walgreens pharmacy?

11 A. No, they vary.

12 Q. Are the limits for ceiling and tolerance
13 the same for an individual pharmacy from one day to
14 the next?

15 A. They're different every day.

16 Q. If a pharmacy wants more than the
17 suggested order that they get from the SIMS system,
18 I believe you just touched on this. Does a store
19 have to go through your team to go above the
20 suggested order?

21 A. If the -- if the order that they want,
22 if they want more than exceeds their ceiling or
23 their tolerance, they have to go through our team,
24 yes, for approval.

1 Q. What is good faith dispensing?

2 A. So, our good faith dispensing defines
3 the pharmacist's responsibility, corresponding
4 responsibility, to determine whether a prescription
5 is legitimate.

6 Q. Is good faith dispensing, is that a
7 policy that's specific to Walgreens?

8 A. As far as I know, yes.

9 Q. Do Walgreens' pharmacists receive
10 training on the Walgreens Good Faith Dispensing
11 policy?

12 A. Yes.

13 Q. How often?

14 A. Every year.

15 Q. What is Target Drug Good Faith
16 Dispensing?

17 A. So, Target Drug Good Faith Dispensing
18 includes select drugs where pharmacists have to
19 document and follow a checklist each time they fill
20 a prescription for a target drug.

21 Q. Do Walgreens pharmacists receive
22 training on the Target Drug Good Faith Dispensing
23 policy as well?

24 A. Yes.

1 Q. Have you received training on both of
2 those policies?

3 A. Yes.

4 Q. How do you communicate those policies,
5 the Good Faith Dispensing policy and the Target
6 Drug Good Faith Dispensing policy, to the
7 pharmacists at Walgreens?

8 A. We communicate it through our online
9 learning tool as well as through various
10 communications --

11 Q. Do those --

12 A. -- to our pharmacies.

13 Q. Do those communications come from the
14 Pharmaceutical Integrity group?

15 A. Yes.

16 Q. If a pharmacist isn't comfortable
17 filling a prescription, are they required to fill
18 it for any reason?

19 A. No.

20 Q. If a pharmacist isn't comfortable
21 filling a prescription, does Walgreens have a
22 policy about what they're supposed to do?

23 A. They have the right to refuse the
24 prescription if they don't believe the prescription

1 to be legitimate.

2 Q. Does Walgreens issue blanket refusal to
3 fill orders with respect to doctors?

4 A. No, we do not.

5 Q. You got some questions today about DEA
6 subpoenas. Do you remember those questions?

7 A. Yes.

8 Q. You said that part of your job is
9 responding to subpoenas from the DEA. What kinds
10 of subpoenas did you mean?

11 A. Primarily prescription subpoenas or
12 subpoenas for hard copy prescriptions
13 documentation.

14 Q. How do you respond to those requests
15 from the DEA?

16 A. So, our team pulls the data and
17 typically either e-mails it back encrypted or
18 sometimes if they're paper copies, they will FedEx
19 them.

20 Q. Does your team take requests from the
21 DEA seriously?

22 A. Yes.

23 Q. Does that -- is that true no matter what
24 kind of a request it is?

1 A. Yes.

2 Q. Do you do your best to respond to any
3 requests from the DEA fully and completely?

4 A. Yes.

5 Q. Do you do your best to cooperate with
6 the DEA?

7 A. Yes.

8 Q. Has it always been the case while you've
9 been at Walgreens?

10 A. Yes.

11 Q. I want to ask you some questions about
12 your time as a pharmacist at Walgreens. I believe
13 you said you were a pharmacist from 1999 to 2002
14 after pharmacy school, is that right?

15 A. Yes.

16 Q. When you were a pharmacist at Walgreens
17 in the '99 to 2002 time frame, did you have a
18 professional responsibility to make sure that
19 prescriptions that you filled were only for
20 legitimate medical purposes?

21 A. Yes.

22 Q. If you couldn't confirm for yourself
23 that a prescription was legitimate, would you fill
24 it?

1 A. No.

2 Q. You mentioned when I asked you what
3 Pharmaceutical Integrity does, the group that you
4 work for today, you mentioned something about med
5 take-back or med kiosks. Did I hear that
6 correctly?

7 A. Yes.

8 Q. What is -- what were you referring to?

9 A. So, in select stores around the country,
10 Walgreens has a drug take-back kiosk, so patients
11 and customers can bring their medications and
12 dispose of them safely in the kiosk.

13 Q. Can someone come to a Walgreens pharmacy
14 and with expired medication or any kind of
15 medication that they are bringing in that they
16 haven't just received from the pharmacist and hand
17 it over to a pharmacist?

18 A. No. They have to actually place it in
19 the kiosk.

20 Q. Do you know why that is?

21 A. That's according to law is my
22 understanding.

23 Q. Do you know how many medication
24 take-back kiosks Walgreens has at its pharmacies

1 around the country?

2 A. I think we're about 1,080 right now,
3 roughly.

4 Q. Is that changing over time?

5 A. Yes, that's increasing over time.

6 Q. You also mentioned something about
7 Naloxone when I asked you what your group does
8 today. What were you referring to?

9 A. So, several years ago, as states started
10 allowing our pharmacies to dispense Naloxone
11 without a prescription, based on the state
12 regulations state by state we would implement our
13 Naloxone program to allow our pharmacists to
14 dispense to a customer asking for Naloxone without
15 a physician's prescription.

16 We would dispense it under a standing
17 order or under the pharmacist NPI, so via their
18 pharmacist prescriptive authority per the state.

19 Q. Do you know how many states allow
20 Walgreens to dispense Naloxone without a
21 prescription?

22 A. I think we're at 48 today.

23 MS. SWIFT: I do not have any other questions.

24